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2002 Indiana Wastewater SRF Annual Report

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State of Indiana

WASTEWATER STATE REVOLVING FUND (SRF) LOAN PROGRAM

2002 ANNUAL REPORT

INTRODUCTION

The State of Indiana, acting through its Department of Environmental Management (Department) and State Budget Agency (Budget Agency), submits to the Administrator of the U. S. Environmental Protection Agency (EPA), Region V, its annual report for the Wastewater State Revolving Fund (SRF) Loan Program. This report covers State Fiscal Year (SFY) 2002 -- July 1, 2001 through June 30, 2002.

This report is prepared in accordance with Section 606(d) of the Clean Water Act, as amended by the Water Quality Act of 1987, and 40 CFR 35.3165(a) and (b). It includes: (i) details of program management, i.e., the status of Indiana's compliance with statutory requirements, program changes/progress made; (ii) how the State has met its goals and objectives as identified in the SFY 2002 IUP; (iii) information about SFY 2002 loan projects; and (iv) the status of SFY 1993 through 2002 loan projects not yet reported as initiating operation.

EXECUTIVE SUMMARY

Funds Available. As of June 30, 2002, and since the inception of the program, the State has caused 8 series of bonds, in an aggregate principal amount of approximately \$905 million (in approximate par amount), to be issued related to the SRF. This afforded funds of approximately \$858 million available for loan purposes. Other funds held and used in the SRF (including as a reserve for those bonds) are reflected in the attached Appendix D.

The SRF has accepted payment on all of its capitalization grants awarded to date (including on the newest capitalization grant awarded during SFY 2002 in February 2002) and has converted those grants to cash for uses permitted by the Clean Water Act.

Funds Obligated. During SFY 2002, the State closed 17 loans (excluding the restructured loan to the city of Boonville) totaling approximately \$116.9 million.

Program Requirements. The State has fulfilled all federal requirements. Assurances and certifications provided in the Intended Use Plan have been met: Closed loans equal more than the required 120% of each quarterly capitalization grant payment have been made within one year of receipt of all payments; all funds have been used in a

timely and expeditious manner (as demonstrated by Appendix D); and, environmental reviews have been done in accordance with federal and State law. All loans made during the SFY 2002 had related projects listed on the State's Project Priority List.

Financial Reports/Statements. SRF financial statements are included in this report as part of Appendix C.

PROGRAM MANAGEMENT

This section discusses compliance with program requirements by the State and program changes and updates which occurred during SFY 2002.

Personnel Changes. None.

Interest Rates. Interest rates were unchanged in SFY 2002 and the State continued to use a fixed rate scale (which varies based on 3 ranges of average monthly user rates for an equivalent dwelling unit (User Rates) within each of the 3 previously existing MHI Tiers to set SRF interest rates). The Budget Agency monitors SRF interest rates and adjusts them as appropriate. The State acknowledges that during SFY 2002, all SRF loans were made at rates at or below those prevailing in the market.

Program Requirements. Indiana has continued to not require Title II requirements that expired in accordance with Section 602(b)(6) of the Clean Water Act, as amended by the Water Quality Act of 1987, and 40 CFR 35.3105(f).

Transfers to the Drinking Water SRF From the Wastewater SRF. Consistent with its Intended Use Plans and EPA Policy Statement (FRL-6884-7, 65 FR 199, 10/13/00, pg. 60940), the State is reporting on transfers between the Drinking Water SRF and the Wastewater SRF. In its Intended Use Plans, the State retained the flexibility to make transfers of grants (and other funds) held in or allocable to such funds to the extent permitted by the Clean Water Act and the Safe Drinking Water Act. Presently, up to 33% of the amount of each Safe Drinking Water Act grant for FFY's 1997 through 2002 could be so transferred on a net cumulative basis. Based on the State's award of Safe Drinking Water Act related funds for FFY 1997 through 2002, to date, approximately \$23.6 million has been transferred to the Drinking Water SRF from the Wastewater SRF. The following transfers were made from the 1998 Restricted Subaccount of the Wastewater Equity Account held under the Wastewater Indenture (which represents federal grants previously converted to cash and deposited in that account) to the Drinking Water Trustee for deposit in the 1998 Restricted Subaccount of the Drinking Water Equity Account held under the Drinking Water Indenture:

<u>Transfer Dates</u>	<u>Transfer Amounts</u>
August 25, 2000	\$17,479,407
February 15, 2001	2,985,491

May 1, 2002	<u>3,120,183</u>
Total	\$23,585,081

Such transfers did not negatively impact on the capacity of the Wastewater SRF to finance proposed projects during SFY 2002.

Comprehensive List of Equivalency Projects. To date, twenty-two SRF projects have completed equivalency requirements -- including project performance certifications. The total loan amount for these projects is equal to \$71,831,703. See Appendix A for a list of equivalency projects to date.

Loans Closed. During SFY 2002, by closing 16 loans (and without including the restructured loan to the city of Boonville) binding commitments totaling approximately \$116.9 million were entered into by the State.

To comply with Section 602(b)(3) of the Clean Water Act, the State is required to have entered into binding commitments in the amount of at least 120% of federal capitalization grant payments one year after each payment is made. The State met the deadline for the binding commitment requirements in advance of all Clean Water Act deadlines and the excess was banked toward meeting future binding commitment requirements associated with future capitalization grants. See Appendix B for details on loans closed.

Grants. The State applied for one capitalization grant that was awarded during SFY 2002 in the amount of \$32,128,866. This grant was not made available for conversion to cash by the State until April 2002. Had this grant been made available sooner in SFY 2002 as requested by the State, the State would have been able to draw the grant sooner resulting in significant financial enhancement of the SRF.

State Match. Additional state match of \$13,200,000 was deposited in the SRF from bond proceeds made available in SFY 2002, which (a) resulted in the following cumulative history of State matches to the SRF and (b) aggregate at least 20% of the awarded \$477,520,532 capitalization grants through June 30, 2002:

\$145,492	State match appropriated for administrative costs in SFY 1992 (June, 1992)
\$145,492	State match appropriated for administrative costs in SFY 1993 (July 15, 1992, October 1, 1992, January 1, 1993 and April 1, 1993)
\$582,501	State match disbursed in connection with a direct loan to the Town of Wanatah made in 1991.
\$13,704,753	Series 1993A State Match Revenue Bond net proceeds (January 1993)
\$13,790,322	Series 1994A State Match Revenue Bond net proceeds (March 1994)
\$137,540	State match appropriated for administrative costs in SFY 1994
\$9,264,301	Series 1995A State Match Revenue Bond net proceeds (February 1995)

\$139,973	State match appropriated for administrative costs in SFY 1995
\$70,904	State match related to other administrative costs
\$15,159,296	Series 1997A State Match Revenue Bond net proceeds (September 1997)
\$1,134,501	Series 1998 State Revolving Fund Program Bond net proceeds representing a State Match allocation (September 1998)
\$27,101,378	Series 2000A State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2000)
\$7,701,881	Series 2000B State Revolving Fund Program Bond net proceeds representing a State Match allocation (January 2001 & July 2001)
\$13,200,000	Series 2001A State Revolving Fund Program Bond net proceeds representing a State Match allocation (November 2001 & July 2002)
<u>\$102,278,334</u>	TOTAL

As a result of the foregoing, the State has deposited state match in excess of that required based on grants awarded to date by approximately \$6.8 million (also known as over-match) which is banked toward future capitalization grants that are expected to be awarded in SFY 2003. This over-match was intended to permit, and will allow, the State to immediately convert its next capitalization grant (expected to be awarded in early FFY 2003) to cash (and deposit it in the SRF) based upon incurred costs paid in SFY 2002 and banked as a result of their not having yet been used to convert any capitalization grant to cash.

Environmental Review. All projects are reviewed and approved in accordance with the State's EPA-approved environmental review procedures.

Loan Repayments. Loan recipients made principal repayments that totaled \$19,001,775. Loan recipients made interest payments totaling \$12,292,466. See Appendix B for details.

Disbursements. The total Wastewater SRF funds disbursed in SFY 2002 is \$157,201,390 with project disbursements totaled \$155,824,868 and disbursements for administrative expenses totaled \$1,376,522. See Appendix B for details.

GOALS AND OBJECTIVES

Short-Term Goals & Objectives. In its SFY 2002 Intended Use Plan, the State identified short-term goals and objectives to be achieved during the fiscal year. The following is a compendium of the progress the SRF program has made toward achieving these goals and objectives.

(ST1) Work diligently with communities and effectively manage SRF projects to assist in getting communities to the point of loan closing and to begin construction in a timely, efficient manner.

The SRF program has worked diligently to expedite reviews by instituting a system of tracking progress on projects and committing to review timelines. The State continued to see significant interest in the SRF Program by Indiana communities as demonstrated by the SFY 2002 Project Priority List (PPL). \$507 million in projects were on the PPL at the beginning of the year with an additional \$49.6 million in projects having been added to the list by the end of the first quarter.

(ST2) After additional federal funding becomes available (which is expected by October 1, 2001), seek the immediate award of the federal capitalization grant for the FFY 2002. (Through disbursement of loan proceeds and administrative expenses, the State expects that all the federal capitalization grants through and including that related to FFY 2002, will be converted to cash and deposited in the SRF in SFY 2002.)

Although the Department applied for the FFY 2002 capitalization grant on September 10, 2001, EPA did not award the grant until January 2, 2002.

(ST3) Prior to the October 1, 2001 sunset date under the federal Safe Drinking Water Act for permitted transfers between the Wastewater SRF and the Drinking Water SRF, assess whether transfers made will be permanent and whether additional transfers will be made prior to the October 1, 2001 deadline. Upon such determination, the Budget Agency will implement such actions. (The State expects to encourage EPA to effectuate changes in the Safe Drinking Water Act to permanently extend such sunset date and in the event it is extended, the State will review and determine the amount of permitted transfers which can be made from the Wastewater SRF to the Drinking Water SRF to continue meeting the financing needs of the Drinking Water SRF without undermining the ability of the Wastewater SRF to meet the financing needs of the proposed projects for SFY 2002. Upon such determination, the Budget Agency would implement such transfers.

Consistent with its Intended Use Plans, the State retained the flexibility to make transfers of grants (and other funds) held in or allocable to such funds to the extent permitted by the Clean Water Act and the Safe Drinking Water Act. Presently, up to 33% of the amount of each Safe Drinking Water Act grant for FFY's 1997 through 2002 could be so transferred on a net cumulative basis.

(ST4) Continue working with the EIWG and various other wastewater infrastructure financing agencies/departments to coordinate the financing of wastewater treatment works in the most beneficial way for communities, while continuing to meet the needs and requirements of each financial assistance program.

This goal has been, and continues to be, met in a variety of ways. First and foremost, SRF is a participating member of the Environmental Infrastructure Working Group (EIWG). This group holds one meeting per month to meet individually with any In addition, SRF has met with representatives of other funding agencies such as the Department of Commerce Community Focus Fund and the US Department of Agriculture's Rural Development to coordinate and share information. SRF also works with technical assistance providers such as the Rural Community Assistance Program to discuss SRF programs and work with communities to develop projects that meet community needs.

(ST5) Continue to examine the program to find potential areas of streamlining.

The SRF program has created a tracking system that follows the project from original application date through loan closure. This new tracking system can be used as a management tool to examine the allocation of resources, identify project review hurdles, and respond for requests for information. Ultimately, the tracking system will enable IDEM to establish timeframes for review and approval of projects.

(ST6) Produce an Indiana SRF newsletter that would publicize program changes, announcements, and newsworthy events.

Staff evaluated the timeframes, cost, and staff-time necessary to produce newsletter and decided that an equally effective but less staff time intensive method of publicizing the program would be to re-package and distribute the annual report to citizens, communities, and other organizations. In this way, the annual report can serve the purposes that the newsletter was intended to serve without the same level of staff time commitment.

(ST7) After a community has had their Pre-Meeting with the SRF Section, they will be given a copy of an already formatted blank boilerplate Preliminary Engineering Report (PER) on disc. Providing the applicant the PER in a disc format should result in

a more timely submission of completed PER's to the Department by all SRF applicant communities.

The Department has provided all applicants a copy of the blank boilerplate Preliminary Engineering Report (PER) on disc. All applicants receive a copy of the disk during the pre-planning meeting.

(ST8) *Continuously update a post-loan management manual and implement activities related to the same.*

The SBA and Department continue to work on post-loan management activities. Staff members from the Department schedule a regular series of site visits to SRF projects under construction and will continue these efforts.

(ST9) *Continue to encourage projects to draw down on their loans or cut-off ability within a year after substantial completion of construction if additional draws are not expected.*

Staff members have drawn up a list of communities where draw down on loans has slowed or stopped. Staff members contacted those communities to ask why the loans are not drawn down and encourage them draw down at a faster rate so as to complete the project in a timely manner.

(ST10) *Market the SRF program to communities through site visits, attendance at wastewater discussions, and sending literature to communities and engineering groups.*

Staff members from both the State Budget Agency as well as the Department have attended a variety of meetings and conferences to market the SRF program. Additionally, a new brochure was created and is used to market the program. The program continues to seek additional ways to market the program, including notifying communities in noncompliance with NPDES permit requirements of the availability of SRF funds.

(ST11) *Develop a Combined Sewer Overflow Long Term Control Plan loan program to loan communities funds for preparation of Long Term Control Plans.*

The SRF program has developed a CSO Long Term Control Plan loan program that will make available to communities funds for preparation of Long Term Control Plans (LTCP). Communities with existing SRF loans can amend loan terms to draw down existing loan for CSO LTCP Costs. CSO Communities that have applied but not yet closed SRF loans can include CSO costs in their PERs. Other communities could be eligible to issue bond anticipation notes to the SRF program to meet LTCP funding under specific circumstances, including a commitment to proceed through the SRF program when implementing the LTCPs.

Long-Term Goals & Objectives. In its SFY 2002 Intended Use Plan, the State expressed its intention to continue to work towards achieving the four following long-term goals and objectives:

(LTI) Provide financial assistance to political subdivisions to help them comply with federal and State water quality standards. It is the State's policy to satisfy as many wastewater treatment needs as possible by providing low-cost financing, commensurate with prudent fiscal and credit standards.

The State works to achieve this goal not only by providing low-cost financing, but also by working with other programs to leverage SRF monies to better achieve this long-term goal:

First, the SRF Program continues to work with other State and federal agencies as a member of the Environmental Infrastructure Working Group. By working through this entity, the State improves funding coordination among federal and state agencies and helps provide communities with the entire range of financing options for their project.

Second, the SRF Program is working with other State programs, such as the Department of Commerce Community Focus Fund to help coordinate the availability of funds to communities to make infrastructure improvements.

Also, until recently, the State of Indiana provided funds to supplement the SRF monies. These monies, titled the Supplemental Wastewater and Drinking Water Assistance Fund provided funds to communities involved in the SRF process. SRF participating communities were eligible to receive planning grants of up to \$25,000 for preparation of Preliminary Engineering Reports. In addition, some communities qualified for grant funds for their projects. The State of Indiana has awarded funds for these purposes since 1997. Due to the recent state budget crisis, Indiana has been forced to redirect these monies. For 2002, the Supplemental Wastewater and Drinking Water Assistance Fund provided \$8.5 million in funds.

BIENNIAL BUDGET YEAR	AMOUNT ALLOCATED (millions)
1997	\$28.5
1999	\$40
2001	\$30
2002	\$8.5

Lastly, the SRF Program marketed itself to the 105 identified CSO communities and to other communities with compliance and enforcement issues. Our goal was to make the benefits of the SRF Program known and available to all municipalities in Indiana, especially those with an immediate need.

***(LT2)** Secure Indiana's full share of federal funds made available in the annual federal budget and/or with the reauthorization of the Clean Water Act; and to expeditiously obligate these funds for wastewater treatment works, and possibly nonpoint source projects.*

The State has submitted all the requisite documentation to Region 5 EPA to secure the award of the FFY 2002 Wastewater SRF capitalization grant. The State did not obligate any funds for nonpoint source projects in SFY 2002. However, the State anticipates some obligation of funds for nonpoint source in SFY 2003.

***(LT3)** Maintain the financial integrity of the SRF over time by a judicious use of its assets and by realizing an adequate rate of return to sustain the SRF in perpetuity.*

The State continues to invest the SRF's assets conservatively to ensure the security of the SRF program, serves as a source of payment and security for leveraged bonds and, as a result, ensures the State's ability to sustain the SRF in perpetuity. See Appendix D for further information.

***(LT4)** Fully implement and develop a program to fund nonpoint source management projects under Section 319 of the Clean Water Act.*

Continuing progress has been made during this fiscal year in formally establishing a Nonpoint Source SRF program. A Nonpoint Source SRF Project application has been created. Staff members have met with interested county officials to generate interest in the program. In addition, the SRF program mailed cities, towns, counties, regional sewer districts as well as soil and water conservation districts a letter encouraging participation

in the program as well as applications.

SRF LOAN PROJECTS CLOSED DURING SFY 2002

The SRF program has made steady progress assisting communities in Indiana. Over this past year, for example, the SRF program has exceeded a billion dollars of assistance in Indiana.

SFY 2002 LOAN PROJECTS

All 16 loans were for Section 212 POTWs. Interest rates for the projects are identified below. The terms for all closed loans provided that they are to be repaid no later than 20 years after project completion. Following are descriptions of all 16 projects for which loans were made in SFY 2002 and also includes a description of the restructured loan to the city of Boonville. The estimated financial savings (*italics*) to each community is also listed. This was calculated based on a 6% open market interest rate. The dates identified are loan closing dates.

City of Hammond	\$10,500,000	July 27, 2001
Loan #CS18230601	4.0%	<i>\$2,856,589.40</i>

The Hammond Sanitary District has both sanitary and combined sewers. The collection system has 20 combined sewer overflows. The combined portion of the system discharges through CSO's, which are an obstacle in meeting Indiana's water quality standards. In order to meet these standards, control of larger CSOs needs to be implemented. During intense storms, the combined system's sewer and pump station capabilities are sometimes exceeded, causing surface flooding and basement backups in portions of the service area. In addition, many facilities are antiquated and in need of rehabilitation and modernization. The proposed project should address these deficiencies with wastewater treatment improvements, CSO abatement, and lift station upgrades.

City of Indianapolis	\$42,420,000	August 23, 2001
Loan # CS18235801	4.0%	<i>\$11,540,621.16</i>

Indianapolis has over 130 combined sewer overflow outfalls. As part of the National CSO elimination policy, Indianapolis is working to devise and implement a Long Term Control Plan. This consists of studies and projects that will begin to address the CSO problem. Currently wet weather flows are bypassed to the White River. The City will store excess wet weather flows receiving primary treatment in a primary effluent flow equalization basin and later send them the secondary treatment processes

when capacity becomes available. The loan includes flow equalization basins, Southport raw sewage pumping station, headworks odor control and other related items including a number of separate but related improvements to the City's two Advanced Wastewater Treatment plants.

City of Montpelier	\$1,400,000	September 28, 2001
Loan #CS18232301	3.3%	\$506,541.00

Montpelier's sewer system does not have sufficient capacity to handle current flows. As a result, the plant experiences odor problems and fills with silt. Sewage backs up into the streets and basements during heavy rains. This project will separate 13 miles of two combined sewers and will expand or construct new sewers- thus eliminating the cross connection between the sanitary and storm sewers. This modification will allow only storm water to discharge to the East Creek, a tributary of the Salamonie River.

City of Rockport	\$200,000	October 5, 2001
Loan # CS18228102	2.9%	\$82,355.02

Rockport's operates a 500,000 gallons per day (gpd) conventional activated sludge WWTP. The plant currently treats 83 percent of capacity, but increased flows from excessive I/I as well as growth will soon cause the plant to exceed design capacity. To address I/I problems and provide adequate capacity, the city plans on constructing an additional 300,000 gpd WWTP. In addition, the city is proposing two modifications to their only combined sewer overflow structure and installing a backwater gate at the end of the CSO outfall to reduce water backups in the system when the Ohio River rises.

City of Columbus	\$400,000	October 11, 2001
Loan #CS18225501	3.9%	\$114,023.13

The Royal View Subdivision wastewater treatment plant serves 91 people. This facility experiences significant inflow and infiltration, is old, and many of the system components need repair or replacement. IDEM has received many complaints about the operation and maintenance of the Royal View collection and treatment systems and in the past, has provided emergency funds to repair a failing pump station. This project consists of extending municipal sewer service from Columbus to the Royal View Subdivision, the community of Petersville (an adjacent community with septic system failures), renovate/replace portions of the existing collection system which show evidence of I/I, and demolishing the existing Royal View WWTP.

City of Logansport	\$2,435,000	October 15, 2001
Loan #CS18235101	2.9%	\$1,002,672.32

The Northern Heights neighborhood in Logansport is served by on-site septic systems. The Cass County Health Department had documented failing systems and indicated that working septic systems cannot be installed on the small lots in this

neighborhood. The project includes installation of 24,700 feet of gravity sewer, 5,900 feet of sewer lines for laterals, 110 manholes, 2 pump stations, 1,950 feet of forcemain. The collected wastewater will be sent to Logansport for treatment and subsequent discharge into the Wabash River.

City of Boonville	\$8,060,000	October 30, 2001
Loan # CS18214502	3.5%	\$2,711,945.01

Prior to SFY 2002, the city of Boonville had closed two SRF loans (\$8,100,000 in June 2000) and (\$2,350,000 in May of 2001) for construction of a wastewater WWTP that would handle an average design flow of 3.0 MGD, meet NPDES permit limits, and fulfill compliance with a 1997 Agreed Order with IDEM. In SFY 2002, Boonville restructured its loans, and at the same time, arranged to be able to use on-hand funds to directly pay a portion of the project costs, thereby reducing the aggregate SRF funding required. The restructured SRF loan amount is reflected above (\$8,060,000), after which only \$350,000 of the June 2000 SRF loan then remained outstanding and none of the May 2001 SRF loan remained outstanding. Following restructuring, the aggregate SRF borrowing limit was lowered from \$10,450,000 to \$8,450,000. Since no additional funding was provided in SFY 2002, this loan amount is not reflected elsewhere in this report as part of the number or amount loans closed in SFY 2002.

City of Hartford City	\$880,000	December 20, 2001
Loan #CS18229001	2.9%	\$362,362.07

Hartford City's proposed project includes the separation of stormwater and wastewater sewers that are currently discharging into what is commonly referred to as the "Commissioner's Drain." Studies of the "Commissioners Drain" in Hartford City have revealed that a large amount of stormwater is transported to the wastewater treatment plant via the Commissioner's Drain. This 5,400 foot pipe was originally installed as a stormwater drain, but became a combined sewer when sanitary connections were made. Subsequently, another CSO structure was constructed to divert as much flow as possible to the wastewater treatment plant during wet weather. What cannot be taken to the wastewater treatment plant is discharged to the drain's receiving stream, Mud Run. Investigations show that if all the wastewater connections are removed from the Commissioner's Drain, then elimination of the CSO may be possible.

Arlington RWSD	\$160,000	December 28, 2001
Loan #CS18233201	3.9%	\$45,609.35

The Arlington Heights subdivision was served by Arlington Utilities, a private wastewater utility. The out of town owner neglected the plant. As a result, the utility regularly violated NPDES permit limits, experienced bypasses and overflows, suffered from excessive I/I, had inoperable equipment, and had an inadequately sized lagoon system.

The State put control of the utility into receivership and the subdivision neighbors created a regional sewer district to oversee the system and qualify for financing. The

district will close the existing plant, install a new lift station and force main, and send the wastewater to the neighboring town of Roanoke.

Town of Santa Claus	\$900,000 &	December 28, 2001
Loan # CS18229702 / 03	\$625,000/3.9%	\$256,552.04 / \$178,161.14

Santa Claus Indiana closed a \$900,000 loan to construct a new WWTP. The town had a long history of NPDES compliance problems and IDEM placed Santa Claus on a Sewer Ban 1999. The town has closed two SRF loans to construct a new WWTP that will handle an average design flow of 1.17 MGD and a peak design flow of 4.46 MGD, while increasing the capacity of three lift stations to eliminate wet weather overflows to Christmas Lake and a drainage ditch by the golf course. In addition, collection system improvements will include repairs and replacement of parts to three lift stations.

Town of Clear Lake	\$3,520,000	January 28, 2002
Loan # CS18223201	3.9%	\$1,003,403.53

Individual homes and businesses in Clear Lake suffer from failing septic systems. Additionally, twenty-eight residents in the northwest corner of the lake are serviced by a cluster system consisting of individual septic tanks that feed a larger collection tank. The cluster system was built with cementitious pipe that is badly deteriorating and in need of replacement. Water quality test results show that Clear Lake suffered from the failing septic and cluster systems.

The proposed project seeks to install 45,000 lineal feet of sewer line, and low pressure sewers and grinder pumps for wastewater collection. Using a pump station and force main, the wastewater will be pumped to Fremont for treatment. The Fremont WWTP has adequate capacity to treat the estimated 0.180 MGD of sewage from the Town of Clear Lake.

Van Bibber C.D.	\$375,000	February 15, 2002
Loan # CS18229101	3.5%	\$126,176.10

Van Bibber Lake Conservancy District is located in Clinton Township, an area characterized by rural development. S&V Sewer Company is the only sewer utility providing wastewater collection and treatment in Clinton Township and currently provides service to this recreational and vacation community. This wastewater treatment plant is in severely deteriorated.

The treatment plant and collection are in poor condition. At the plant, the bar screens and steel tanks are corroded. The diffusers are in poor condition and the clarifier sections have deteriorated. The WWTP commonly exceeds effluent limits for ammonia nitrogen (NH₃-N) and carbonaceous biochemical oxygen demand (CBOD₅).

The collection system experiences severe inflow and infiltration (I/I) and sewage backs into homes due to wet weather capacity problems. sewers constructed to which adequate extension connection can be made.

The district will construct a new sanitary sewer system and purchase the existing

wastewater collection and treatment facilities from S&V Sewer Service Company. The construction of a new 100,000 gpd facility is planned on the site of the current plant. A new plant will provide an effective and efficient wastewater treatment without relying on the operation of existing deteriorated equipment.

Town of Mariah Hill RSD	\$685,000	March 4, 2002
Loan # CS18232801	3.5%	\$230,481.68

Like many communities in Indiana, Mariah Hill homes feature onsite sewage treatment and disposal systems. The Indiana State Department of Health and the Spencer County Sanitarian have documented a significant number of failures of these systems, as evidenced by unacceptably high E. coli bacteria levels in local waterways within the Town. Soils and groundwater levels are not conducive to adequate septic system installation.

The District plans to build a collection system and pump wastewater to Dale for treatment. Dale has the capacity to treat the projected flow and has consented to treat Mariah Hill's wastewater. Gravity sewers will be installed for all portions of the town.

City of Fort Wayne	\$23,500,000	March 26, 2002
Loan # CS1835301	4.0%	\$6,393,319.12

Fort Wayne is Indiana's second largest city and is one of 105 CSO communities in the state. During peak flow wet weather events, the plant is unable to treat its 60 mgd capacity. Combined wastewater flows are pumped to two settling ponds that discharge directly to the Maumee River. Additionally, the treatment facility is old and parts of the plant are in poor condition.

Fort Wayne proposes a multi-stage, long term program to make improvements and expand the treatment plant capacity. This first stage project includes construction of new preliminary treatment facilities, rehabilitation of secondary clarifiers, return sludge pumping facility improvements and upgrades to the electrical system. This first stage should result in lowering the total loading of BOD, suspended solids, and ammonia to the Maumee River. Sediment deposits will be reduced, improving the aquatic habitat of the Maumee River.

Town of Orestes	\$1,070,000	April 1, 2002
Loan # CS18231001	2.9%	\$440,599.34

Orestes is currently served by individual septic systems for wastewater treatment. A large tomato processing plant discharges its sanitary wastewater to a single mound-type septic system, which also receives wastewater from apartments that house seasonal laborers. The Town has a history of failing septic systems many of which discharge sewage into private and public drains, which flow to Lilly Creek and the wetland areas near the creek.

This project consists of installing a conventional gravity sewer collection system with wastewater treatment provided by Alexandria. The result should be water treatment

efficiency, elimination of health threats, reduced bacteriological contamination to Lilly Creek.

Town of Winona Lake	\$240,000	May 10, 2002
Loan # CS 18231701	3.8%	\$71,520.06

Winona Lake's collection system had structural defects such as cracked and open joints in sewer pipes, leaky manholes, and cracked wet well walls at lift stations. This caused I/I and heavy rain events caused chronic operational problems: sewer backups, surcharging manholes and lift stations.

The proposed project includes rehabilitating those sections of the sanitary sewer system with structural defects-the manholes, lift stations, and sewer pipe. This project will remove the known sources of I/I and sections of the sanitary sewer system with structural deficiencies will be eliminated.

City of Vincennes	\$27,600,000	May 24, 2002
Loan # CS 18233401	3.5%	\$9,286,561.07

Aged wastewater collection and storm water drainage systems have contributed to significant problems at the Vincennes wastewater treatment plant. The Vincennes wastewater and storm water collection system were constructed as long ago as 1910. Infiltration is always present in the old wastewater collection system. This I/I accounts for a significant increase in flow to the treatment facility as well as an unpermitted SSO at the influent pump station at the treatment plant. Improvements to the storm water drainage system, such as the enclosure of City Ditch, have caused flooding and surcharging of the ditch as well increased inflow to sanitary sewers.

This project involves improvements to the collection system, improvements to the conveyance capacity for the capture of sanitary sewer overflows, construction of additional covered space to comply with state sludge storage capacity requirements, expansion of the WWTP treatment capacity, and replacement of outdated equipment.

STATUS OF PAST STATE FISCAL YEAR LOAN PROJECTS

SFY 2001 Projects

Batesville (Inteceptor)

Construction start 08/10/99 – initiation of operation 10/20/00

Batesville (WWTP improvements)

Construction start 08/08/00 – initiation of operation 07/27/01

Bedford

Construction start 01/19/00 – initiation of operation 04/27/01

Bloomington (equalization basin)

Construction start 12/18/00 – initiation of operation 08/15/01

Bloomington (Sherwood Oaks)

Construction start 01/11/01 – initiation of operation 04/16/01

Blue Lake CD

Construction start 04/05/00 – initiation of operation 03/28/01

Brookville Lake

Construction start 08/25/00 – initiation of operation 12/16/01

Brownsburg

Construction start 08/27/99 – initiation of operation 04/08/01

Brownstown

Construction start 06/18/01 – initiation of operation 06/28/02

Clayton (sanitary sewer)

Construction start 07/17/00 – initiation of operation 05/24/02

Dunkirk

Construction start 10/04/99 – initiation of operation 08/11/00

Dyer

Construction start 06/26/00 – initiation of operation 08/22/00

Elberfeld

Construction start 03/30/10 – initiation of operation 01/01/02

Evansville

Construction start 12/13/99 – initiation of operation 04/03/01

Fall Creek RWD

Construction start 09/16/99 – initiation of operation 02/15/01

Flora

Construction start 11/15/99 – initiation of operation 04/23/01

Fortville

Construction start 09/25/00 – initiation of operation 02/21/01

Franklin (sludge)

Construction start 11/20/00 – initiation of operation 07/28/01

Greentown

Construction start 02/01/00 – initiation of operation 08/29/00

Hammond S.D.

Construction start 10/23/01 – initiation of operation 11/14/01

Haubstadt

Construction start 12/06/99 – initiation of operation 02/05/01

Huntington

Construction start 04/05/01 – initiation of operation 06/21/02

Indianapolis (Pogues/Emerson Ave.)

Construction start 08/12/99 – initiation of operation 06/01/01

Indianapolis (various CSOs)

Construction start 10/02/00 – initiation of operation 04/11/01

Jeffersonville (8th Street)

Construction start 08/02/00 – initiation of operation 12/31/00

Kokomo

Construction start 08/14/00 – initiation of operation 01/04/02

Kokomo (Maplecrest)

Construction start 04/23/01 – initiation of operation 04/01/02

Lafayette (Sludge)

Construction start 11/06/00 – initiation of operation 05/05/01

Lamar C.D.

Construction start 07/17/00 – initiation of operation 12/21/00

LaPorte (Biotowers)

Construction start 10/17/00 – initiation of operation 12/28/01

Linden

Construction start 03/30/01 – initiation of operation 07/31/01

Marion

Construction start 06/28/99 – initiation of operation 06/07/01

Monrovia

Construction start 09/15/00 – initiation of operation 11/06/01

Muncie

Construction start 08/25/00 – initiation of operation 07/08/02

Newburgh

Construction start 05/22/99 – initiation of operation 09/09/00

New Castle (WWTP)

Construction start 10/16/00 – initiation of operation 02/01/01

New Palestine

Construction start 04/12/01 – initiation of operation 01/23/02

Ossian

Construction start 03/13/00 – initiation of operation 03/13/01

Paragon

Construction start 06/29/01 – initiation of operation 12/12/01

Prince's Lake

Construction start 06/03/99 – initiation of operation 07/10/00

Roachdale

Construction start 10/19/99 – initiation of operation 08/23/00

Rockville

Construction start 06/06/00 – initiation of operation 06/05/01

Santa Claus (Sewer)

Construction start 08/22/00 – initiation of operation 02/28/01

South Bend

Construction start 06/22/00 – initiation of operation 03/06/01

Speedway

Construction start 02/01/00 – initiation of operation 06/25/01

Tipton

Construction start 06/18/01 – initiation of operation 05/22/02

Trafalgar

Construction start 03/16/01 – initiation of operation 04/30/02

Waynetown

Construction start 05/18/01 – initiation of operation 06/05/02

West Lafayette (Happy Hollow)

Construction start 06/05/01 – initiation of operation 10/29/01

Windfall

Construction start 03/26/01 – initiation of operation 10/02/01

Wolcottville

Construction start 04/01/99 – initiation of operation 07/01/00

SFY 2000 Projects

Arcadia

Construction start 04/01/99 – initiation of operation 02/25/00

Auburn

Construction start 07/07/97 – initiation of operation 07/01/99

Batesville

Construction start 04/19/99 – initiation of operation 06/05/00

Borden

Construction start 09/09/99 – initiation of operation 04/07/00

Chandler

Construction start 5/25/99 – initiation of operation 08/12/00

Cicero

Construction start 05/05/99 – initiation of operation 11/28/99

Clayton

Construction start 02/11/98 – initiation of operation 01/19/01

Dyer

Construction start 10/25/99 – initiation of construction 08/22/00

Elizabethtown

Construction start 03/15/98 – initiation of operation 02/07/00

Evansville

Construction start 02/09/99 – initiation of operation 04/03/00

Gnawbone

Construction start 11/08/99 – initiation of operation 05/06/00

Indianapolis (Lift Station)

Construction start 04/30/99 – initiation of operation 08/23/99

McCordsville

Construction start 05/24/99 – initiation of operation 02/28/00

Otterbein

Construction start 03/15/99 – 09/10/99

West Lafayette

Construction start 01/05/98 – initiation of operation 07/01/99

SFY 1999 Projects

Logansport

construction start 05/26/98 – initiation of operation 08/18/99

Clay City

construction start 08/24/98 – initiation of operation 01/20/99

Newburgh

construction start 09/09/00– initiation of operation 05/20/99

Evansville

construction start 07/25/00 – initiation of operation 12/22/00

Prince's Lakes

construction start 06/03/99 – initiation of operation 06/03/00

Clayton

construction start 11/02/98 – initiation of operation 08/19/99

Waterloo

construction start unknown – initiation of operation unknown

Richmond

construction start unknown – initiation of operation unknown

Crawfordsville

construction start unknown – initiation of operation unknown

Otterbein

construction start 03/15/99 – initiation of operation 09/10/99

Delaware County RWD

construction start unknown – initiation of operation unknown

Otterbein

construction start 11/23/98 – initiation of operation 08/05/99

Arcadia

construction start 04/01/99 – initiation of operation 02/25/00

West Lafayette

construction start 01/05/98 – initiation of operation 08/28/99

Brownsburg

construction start 07/02/99 – initiation of operation unknown

Cicero

construction start 05/05/99 – initiation of operation 11/28/99

Hammond S.D.

construction start unknown – initiation of operation unknown

Batesville

construction start 04/19/99 – initiation of operation 12/15/99

South Bend

construction start 06/22/99 – initiation of operation 04/13/01

Indianapolis

construction start 06/22/99 – initiation of operation 10/15/99

Fall Creek RSD

construction start unknown – initiation of operation unknown

Marion

construction start 06/28/99 – initiation of operation 11/20/00

Chandler

construction start 05/25/99– initiation of operation 10/22/99

Wolcottville

construction start 04/01/99 – initiation of operation 04/01/00

Newburgh

construction start 05/20/99 – initiation of operation 09/09/00

Gnaw Bone

construction start 11/08/99– initiation of operation 05/06/00

Fortville

construction start unknown– initiation of operation unknown

McCordsville

construction start 05/24/99 – initiation of operation 02/28/00

SFY 1998 Projects

Town of Cayuga

construction start 09/23/97 – target initiation of operation 09/23/98

Town of New Whiteland

construction start 10/01/97 – target initiation of operation 10/01/98

Pine Lake CD

construction start 11/01/97 – target initiation of operation 11/01/98

Town of Elizabeth

construction start 03/25/98 – target initiation of operation 04/11/98

Town of Spencer

construction start 09/02/98 – target initiation of operation 02/99

Town of Riley

construction start 12/05/98 – target initiation of operation 06/16/98

Town of Hartford City

construction start 04/12/98 – target initiation of operation 04/01/99

Town of Jamestown

construction start 04/07/98- initiation of operation 11/04/98

Town of Monticello

construction start 05/07/99 – target initiation of operation 05/28/98

Town of Middlebury

construction start 05/28/98 – target initiation of operation 05/22/99

LaGrange County SD

construction start 08/15/97 – target initiation of operation 08/15/98

SFY 1997 Projects

Town of Ellettsville

construction start 08/19/96 -- initiation of operation 11/07/97

City of Portage

construction start 04/09/97 – target initiation of operation

East Chicago S.D.

target initiation of operation 12/31/98

Turkey Creek R.S.D.

initiation of operation 01/31/98

Hammond S.D.

initiation of operation 03/17/97

City of Attica

target initiation of operation 04/01/99

SFY 1996 Projects

City of Auburn

construction start 07/07/97 -- target initiation of operation 07/07/98

Town of Zanesville

initiation of operation 02/01/97

Bass Lake C.D.

initiation of operation 03/10/97

Town of Ashley

initiation of operation 05/31/97

Town of Swayzee

initiation of operation 01/01/97

City of Franklin [WWTP project]

initiation of operation 05/02/96

SFY 1995 Projects

Town of Farmersburg

initiation of operation 12/30/96

Town of Farmland

initiation of operation 08/23/96

City of Crown Point

initiation of operation 02/28/97

Auburn EDIT Corporation

construction start 07/07/97 -- target initiation of operation 07/07/98

SFY 1994 Projects

Lake George R.S.D.

initiation of operation 07/09/97 [SFY 1998]

City of West Lafayette

initiation of operation 02/01/97

SFY 1993 Projects

Hammond Sanitary District

initiation of operation 03/17/97

Gary Sanitary District

Construction start 12/08/93

Appendix D

**INTENDED USES OF FUNDS
IN THE STATE'S SRF ACCOUNTS**